

AMENDED IN SENATE SEPTEMBER 4, 2009

AMENDED IN SENATE AUGUST 17, 2009

AMENDED IN SENATE JUNE 25, 2009

AMENDED IN ASSEMBLY MAY 5, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1012

Introduced by Assembly Member V. Manuel Perez
(Coauthors: Assembly Members Fuentes, Galgiani, and Nielsen)

February 27, 2009

An act to add Section 11546.1 to the Government Code, relating to broadband services, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1012, as amended, V. Manuel Perez. Broadband communications.

Existing law establishes, until January 1, 2013, the office of the State Chief Information Officer, within the Governor's cabinet, with the State Chief Information Officer having specified duties in creating and managing the technology policy of the state.

This bill would require the State Chief Information Officer to establish a strategy to maximize federal funding opportunities pursuant to the federal American Recovery and Reinvestment Act of 2009 (*Recovery Act*) and the federal Broadband Data Improvement Act that are directed for broadband-related activities, programs, or projects. The bill would require the State Chief Information Officer, no later than 30 days after the effective date of this bill, to develop the strategy and require that the strategy include specific information for purposes of broadband

development and deployment in the state and the obtaining of federal funding for those purposes. The State Chief Information Officer would be required to submit the strategy to the relevant policy and fiscal committees in each house of the Legislature within 30 days of the preparation of the strategy. *The bill would require the State Chief Information Officer to administer, expend, and distribute broadband-related funding received under the Recovery Act in a manner consistent with federal law and specified policy goals.*

The bill would require the Public Utilities Commission, as the designated recipient for a grant under the federal State Broadband Data and Development Grant Program of the Broadband Data Improvement Act, to administer and expend funding received under that program in a manner consistent with federal and state law.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:
3 (a) In October 2006, Governor Arnold Schwarzenegger
4 commissioned through Executive Order S-23-06, the California
5 Broadband Task Force to “remove barriers to broadband access,
6 identify opportunities for increased broadband adoption, and enable
7 the reaction and development of new advance communication
8 technologies.” After more than a year of work, the task force issued
9 a report titled “The State of Connectivity: Building Innovation
10 Through Broadband” that maps current broadband availability and
11 speed, makes recommendations to achieve universal broadband
12 access and increased usage, and a timeframe in which to meet
13 these critical goals. While the report shows terrific progress for
14 the state, there is still more work to be done, because nearly 2,000
15 communities are still unable to access high-speed Internet, only
16 one-half of Californians have access to broadband at speeds greater
17 than 10 megabits per second (Mbps), and even though availability
18 rates are at 96 percent, just over one-half of California households
19 use broadband.

(b) In 2008 the Legislature created the California Advanced Services Fund in order to spur deployment of broadband infrastructure in both rural and urban unserved and underserved areas within the state, and encouraged a statewide policy to promote broadband throughout the state.

(c) On February 17, 2009, the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5; hereafter the Recovery Act) was signed into law by President Barack Obama. The act requires the Federal Communications Commission to develop a National Broadband Plan, and contains two new funding programs: (1) the Broadband Technology Opportunities Program under the National Telecommunications and Information Administration and (2) the Rural Development Broadband Program under the United States Department of Agriculture's Office of Rural Development, Rural Utilities ~~Services~~ Service.

(d) The Recovery Act authorizes \$4.7 billion for the National Telecommunications and Information Administration for the Broadband Technology Opportunities Program, and appropriates \$2.5 billion to Rural Utilities Service to extend loans, loan and grant combinations, and grants to projects where at least 75 percent of a Rural Utilities Service funded area is in a rural area that lacks sufficient access to high-speed broadband service in order to facilitate rural economic development. Funding for each program must be awarded by September 30, 2010. Up to \$350 million is authorized under the Recovery Act to fund the State Broadband Data and Development Grant Program authorized by the Broadband Data Improvement Act of 2008 (Title I of Public Law ~~110-385~~) *110-385; hereafter the Broadband Data Improvement Act*).

(e) In fulfilling the state's role, pursuant to the Notice of Funds Availability and solicitation of applications for the Broadband Technology Opportunities Program and Broadband Initiatives Program, the Chief Information Officer, on behalf of the Governor, is required to submit to the appropriate federal entities a prioritization of recommended state projects, along with an explanation of why the selected proposals meet the greatest needs of the state. *In furthering the state's role, the Governor, in a letter dated July 21, 2009, designated the Public Utilities Commission as the single entity in California to receive a grant under Section 106(i)(2) of the Broadband Data Improvement Act.*

(f) As funding awarded pursuant to the above-described federal programs is expected to be allocated through a series of requests for proposals prior to the conclusion of the program on September 30, 2010, it is incumbent on the state to have a comprehensive and multiphased strategy to assist California applicants in obtaining these funds.

SEC. 2. Section 11546.1 is added to the Government Code, to read:

11546.1. (a) The State Chief Information Officer, in addition to serving on the Governor's California Federal Stimulus Task Force, shall establish a strategy to maximize federal funding opportunities pursuant to the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5) and the Broadband Data Improvement Act (Title 1 of Public Law 110-385) that are directed for broadband-related activities, programs, or projects. These broadband-related activities, programs, and projects include the State Broadband Data and Development Grant Program, the Broadband Initiatives Program (BIP), and the Broadband Technologies Opportunities Program (BTOP).

(b) The State Chief Information Officer, no later than 30 days after the effective date of this section, utilizing any information in the Notice of Funds Availability and solicitation of applications for each program, shall develop the strategy, which shall include all of the following:

(1) Specific actions that should be taken to maximize both the amount of federal broadband-related funding to the state and the number of California applicants.

(2) Specific actions needed to facilitate broadband deployment in California's rural areas, facilitate deployment of broadband infrastructure in unserved and underserved areas, enhance broadband capacity at public computer centers, and promote sustainable broadband adoption projects.

(3) A specific process for prioritizing state projects for BTOP and BIP funding and appropriate sources used to determine how individual selected proposals meet the greatest needs of the state.

(4) Identification of the specific roles of the State Chief Information Officer, the Public Utilities Commission, the California ~~Broadband Task Force~~ *Emerging Technology Fund*, and any other state entity that is necessary to carry out the specific actions recommended in the strategy.

1 (5) Identification of the specific state resources, if any, that may
2 be utilized to leverage federal funds.

3 (6) A description of the state's role, if any, in the development
4 of the federal Broadband Plan.

5 (7) Identification of other key public and private community
6 development partners and their respective roles and areas of
7 expertise, necessary statutory or regulatory changes, and needed
8 resources to accomplish the strategy.

9 (8) Identification of key tasks, timelines, and monitoring
10 processes.

11 (c) The State Chief Information Officer shall submit the strategy
12 developed pursuant to this section to the relevant policy and fiscal
13 committees of each house of the Legislature within 30 days of the
14 preparation of the strategy.

15 (d) To the extent permitted by law, the State Chief Information
16 Officer shall consult with the Office of Planning and Research to
17 provide guidance to applicants and to help expedite permits
18 required for the deployment of broadband infrastructure projects
19 and the meeting of deadlines pursuant to the Notice of Funds
20 Availability and solicitation of applications for the BTOP and the
21 BIP funding in the federal American Recovery and Reinvestment
22 Act of 2009.

23 (e) The State Chief Information Officer, *in consultation with*
24 *the Public Utilities Commission*, shall administer, expend, and
25 distribute broadband-related funding, received under the federal
26 American Recovery and Reinvestment Act of 2009 ~~and the State~~
27 ~~Broadband Data and Development Grant Program, in a, in a~~
28 manner consistent with federal law and the goals of the California
29 Broadband Task Force, the California Advanced Services Fund,
30 established pursuant to Section 281 of the Public Utilities Code,
31 and the California Emerging Technology Fund, a nonprofit public
32 benefit corporation established pursuant to Public Utilities
33 Commission Decision 05-11-028.

34 (f) *The Public Utilities Commission, as the designated recipient*
35 *for a grant under the federal State Broadband Data and*
36 *Development Grant Program, shall administer and expend funding*
37 *received under that program in a manner consistent with federal*
38 *and state law.*

39 SEC. 3. This act is an urgency statute necessary for the
40 immediate preservation of the public peace, health, or safety within

- 1 the meaning of Article IV of the Constitution and shall go into
- 2 immediate effect. The facts constituting the necessity are:
- 3 In order to develop a strategy, at the earliest possible time, for
- 4 providing broadband access to unserved and underserved areas in
- 5 the state, it is necessary that this act take effect immediately.